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ABBREVIATIONS

AICPA	American Institute of Certified Public Accountants
CETA	Comprehensive Employment and Training Act
GAO	General Accounting Office
OMB	Office of Management and Budget

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BY THE COMPTROLLER GENERAL

Report To The Congress

OF THE UNITED STATES

More--And Better--Audits Needed Of CETA Grant Recipients

COMPLETED

ORIGINAL

Between July 1974 and October 1978, over $26 billion in Federal Comprehensive Employment and Training Act (CETA) funds was spent by about 460 grantees and thousands of subgrantees. Department of Labor regulations require these grantees to be audited at least once every 2 years. But GAO found that some were not yet audited even once as of March 31, 1980.

Those audits which have been performed have not always met the quality standards established by the Comptroller General and required by Labor and OMB regulations. Many CETA audit reports, disclosing weaknesses in internal controls, ineligible participants, and improperly spent funds, were not as effective as they could have been because they were not issued until years after the problems were first experienced. Insufficient audit resources to perform all necessary audits and quality control reviews contributed to the conditions GAO found.

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NOVEMBER 6, 1980

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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-200504

To the President of the Senate and the
Speaker of the House of Representatives

This report discusses the Department of Labor's audit coverage of Comprehensive Employment and Training Act (CETA) programs. It discusses Labor's audit backlog and demonstrates that the quality of audits performed does not always meet required audit standards. The report points out that changes are needed to strengthen the audit coverage of CETA programs to prevent unauthorized expenditures and assure that congressional intent is carried out.

We made this review as part of our current effort to expand and strengthen audit activities of Government departments and agencies.

We are sending copies of this report to the Secretary of Labor.

Comptroller General
of the United States

COMPTROLLER GENERAL'S
REPORT TO THE CONGRESS

MORE--AND BETTER--AUDITS NEEDED OF CETA GRANT RECIPIENTS

D I G E S T

The Department of Labor relies on the audit as a basic tool for preventing unauthorized expenditures and seeing that Comprehensive Employment and Training Act (CETA) programs are carried out as the Congress intended. However, Labor has fallen far short of its goal of auditing all organizations receiving CETA funds every 2 years--some sponsors were not yet audited even once as of March 31, 1980.

Overall, fewer than half the required audits of CETA funds have been performed and the quality of completed audits is uneven. In spite of these quantitative and qualitative problems, Labor has benefited from audits of CETA grant recipients. The audit function could accomplish more if it had additional resources. (See p. 4.)

AUDIT COVERAGE FALLS FAR SHORT OF REQUIREMENTS

Between July 1974 and October 1978, the period covered by GAO's review, over $26 billion in Federal funds was spent by about 460 grantees, called prime sponsors, and thousands of subgrantees to whom prime sponsors allocate a part of their funds. GAO found that despite requirements for biennial audits only 320 of the prime sponsors had been audited as of September 30, 1978.

In one of Labor's 10 geographic regions, only 24 of 105 prime sponsors had been audited during the period covered by this review. Since then Labor reports completing an additional 111 prime sponsor audits nationwide, bringing the total to 431, as of September 30, 1979. (See p. 6.) Labor did not have adequate information on the extent to which subsponsors' funds are being audited.

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For audits of prime sponsors, Labor has not required an analysis of the grantee's controls over funds subgranted or contracted. Although Labor has always had subsponsor audit requirements, such audits are performed separately and are the grantee's responsibility. Thus, if controls are weak at the subsponsor level--where the program is ultimately implemented--the fragmented audit process makes it difficult for Labor to identify and correct such weaknesses.

Labor's difficulty in controlling the whole audit process stems largely from a shortage of staff in the Inspector General's Office and a historical lack of commitment to the audit process on the part of Labor. However, in responding to our draft report, Labor stated that the Office of Audit now has 183 authorized professional positions, an increase of 59 positions since fiscal 1978. (See p. 8.)

AUDITS OF POOR QUALITY

Audits performed did not always conform to required audit standards. Of the 13 audits GAO reviewed, none fully complied with the Comptroller General's Standards for Audit of Governmental Organizations, Programs, Activities, & Functions.

The audit standards require the auditors to exercise due professional care. In one prime sponsor audit performed by an independent public accountant, GAO found that the auditor rendered an improper opinion on the financial statements, made a $576,000 computation error, used a $448,000 unsupported "plug" figure to balance the grantee's cash account, and reported expenditures not supported by the grantee's records. (See pp. 14 and 15.)

While GAO found qualitative deficiencies in the audits reviewed and a general lack of sufficient auditing, the audit function has nevertheless benefited the CETA program. Auditors have recommended that grantees establish better internal controls and better management of cash transactions. (See p. 4.)

RECOMMENDATIONS

GAO recommends that the Secretary of Labor:

--Determine the amount of resources necessary to perform needed audits as soon as it becomes clear what audits the Department will be responsible for under the single audit concept. This concept, which is being implemented by OMB, requires that all grants made to a recipient be audited as a single entity. This determination of resource needs should include both the costs for Labor audit staff and the funds necessary to engage independent public accountants and State or local government auditors.

--Institute more comprehensive quality assurance procedures to ensure that all CETA audits meet required audit standards. The quality testing procedures should be applied to a scientifically selected sample of audits. Further, the tests should be a balanced mix of contract reviews, desk reviews, workpaper reviews, and onsite reviews. The results of such testing would provide a standard against which the quality of all audits being done by Department of Labor auditors, independent accountants, and State and local auditors can be measured.

--Increase the surveillance over prime sponsor audits to make sure that the effectiveness of controls over subgranted or contracted funds is tested.

GAO also recommends that when further CETA appropriations are considered, cognizant congressional committees ask Labor to provide information on the status of efforts to eliminate the audit backlog. (See p. 21.)

AGENCY COMMENTS AND GAO'S EVALUATION

The Department of Labor concurred with GAO's recommendations and has initiated actions which it believes should alleviate some of

the problems. Labor's fiscal 1981 tentative audit plan provides for audits of 60 percent of all prime sponsors--a significant improvement in audit coverage.

Labor plans to improve audit quality control and coordination procedures. Labor has also agreed to increase the surveillance over prime sponsor audits to ensure effective controls over subgranted funds. Labor's response is included as appendix I. (See p. 22.)

Labor said that GAO's review was somewhat bleak with regard to audit coverage since the CETA program was just getting underway in fiscal 1975. However, GAO found that Labor had not completed half the required audits by fiscal 1980. Labor also said that GAO's audit sample was limited and that the audits themselves were old. GAO believes its sample was sufficient to demonstrate significant problems in the quality of CETA audits. In addition, the audits selected were the latest to be issued by the Department at the time of the review.

CHAPTER 1

INTRODUCTION

The Comprehensive Employment and Training Act (CETA), is a multibillion dollar Federal assistance program designed to provide job training and employment opportunities for economically disadvantaged, unemployed, and underemployed persons. Administered by the Employment and Training Administration of the Department of Labor through a system of grants to State and local governments, CETA provides money for job training and public service employment to millions of participants throughout the United States. Between July 1, 1974, and September 30, 1978, the period covered by our review, over $26 billion was spent under the various titles of the act.

This report details our evaluation of the CETA audit function. It is another in our series of reports on how well executive departments and agencies are carrying out their responsibilities for auditing the billions of dollars in Federal grants and contracts. A list of GAO reports relating to internal auditing is included as appendix II.

CETA gives State and local authorities a major role in planning and managing employment training programs. Instead of operating manpower programs through thousands of grants and contracts with public and private organizations, as was done in the 1960s, Labor now makes grants to a smaller number of prime sponsors. Prime sponsors include States, cities, counties, and combinations of local government units. During our review, grants were made to 460 of these sponsors.

Prime sponsors vary in the way they operate CETA programs. Some provide much of the employment and training services themselves. Others act as conduits for CETA dollars, subgranting or contracting out most of the funds to various organizations for services under provisions of the act. Responsibility rests with the prime sponsor to design and execute the program and with Labor to ensure that the program goals are being met.

CETA services include programs and activities such as:

--Outreach to needy persons to make them aware of available employment and training services.

--Assessment of individuals' needs, interests, and potential; referral to appropriate jobs or training; and followup to help new workers stay on the job.

--Orientation, counseling, education, and classroom skill training to help people prepare for jobs or qualify for better jobs.

--Subsidized on-the-job training.

--Allowances to support trainees and their families, and needed services such as child care and medical aid.

--Development of information concerning the labor market and activities, such as job restructuring, to make the market more responsive to objectives of the manpower service program.

--Transitional public service employment programs to enable participants to move into unsubsidized jobs.

--Special programs for groups, such as Indians, migrants, ex-offenders, and youth.

REQUIREMENTS FOR AUDITING CETA RECIPIENTS

Through its 10 regional offices, Labor monitors the prime sponsors' activities and conducts periodic financial and compliance audits. These audits are a basic tool for preventing unauthorized expenditures and seeing that the congressional intent of CETA is carried out. The Department of Labor requires that all prime sponsors and all subgrantees and contractors spending $100,000 or more per year of CETA funds be subject to a financial and compliance audit at least once every 2 years to determine whether their financial operations are properly conducted, financial reports are fairly presented, and recipient organizations have complied with applicable CETA regulations. Audit reports on prime sponsors are issued to the Employment and Training Administration for resolution of audit findings. Reports on subgrantee audits are routinely handled by prime sponsors.

All audits are performed under the overall management and direction of the Department of Labor's Office of Inspector General. 1/ Auditors from the Inspector General's office or those under contract to that office (independent public

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1/Before the Office of Inspector General was established in October 1978, the audit function was the responsibility of the Office of Special Investigations. References in this report will be to the Office of Inspector General, the organization presently responsible for CETA audits.

accounting firms or State/local government auditors) perform the audits of CETA prime sponsors. Audits of subgrantees and contractors are usually arranged for by the prime sponsor.

SCOPE OF THIS REVIEW

We reviewed Labor's procedures for carrying out its CETA audit responsibility from its headquarters policymaking level to the operations of its regional offices of Inspector General. We did field work in 3 of the 10 Federal regions--Chicago, Dallas, and Seattle--as well as in Washington, D.C. These three regions vary in size from small to large and were selected for that reason. Our review covered the period between July 1, 1974, and September 30, 1978.

We selected 13 prime sponsor audits that had been conducted by various audit organizations: 6 by Labor auditors, 4 by independent public accountants, 2 by State auditors, and 1 by a county auditor. Our selection of audits was made so that we could evaluate the work of all types of organizations that perform CETA audits. Five of the audits we reviewed were performed in the Chicago region, four in the Dallas region, three in the Seattle region, and one in the Washington, D.C., area. We reviewed the working papers supporting those audits and went to the prime sponsors' locations and tested selected audit steps.

We also sent a questionnaire to all prime sponsors to obtain information on the audits of their subgrantees.

CHAPTER 2

AUDIT COVERAGE FALLS FAR SHORT OF REQUIREMENTS

Audit is the Federal Government's basic control to prevent unauthorized expenditures by its grantees. When effectively used, audits can (1) provide management with information on how to operate programs more economically and efficiently and (2) be the basic mechanism to keep funds from being spent improperly. Labor has benefited from its audits of CETA grant recipients. Some recent audits have disclosed significant findings which are having an important effect on the program. For example:

--In one audit, Labor found that CETA funds had been misappropriated by an employee and several outside vendors. Nearly $300,000 of CETA funds were paid to selected vendors who appear to have been involved in the scheme. The auditors recommended that an adequate system of internal controls be established.

--In another CETA audit, Labor found that the prime sponsor cash control account had not been reconciled with a separate city account of CETA cash transactions. The auditors determined that the city account reflected nearly $500,000 more disbursements than the amounts recorded as disbursed on the CETA records. They recommended that the CETA cash control account be reconciled immediately with the city's account, and that such reconciliations be made a regular monthly procedure.

Therefore, while we found qualitative deficiencies with the audits we reviewed and while the amount of auditing being done was generally insufficient, the CETA program has clearly benefited from the audit function.

Labor's record in accomplishing audits of the prime sponsor recipients of CETA funding has varied significantly around the country. Overall, fewer than half the required audits have been performed. The principal reason for Labor's inability to accomplish more audits has been a lack of audit resources.

Of the completed audits which we reviewed we found problems with the quality of the work performed. These problems are discussed in greater detail in chapter 3. Furthermore, Labor has had no effective system for controlling and managing subsponsor audits.

CETA AUDITS ARE IMPORTANT TO ENSURE AUTHORIZED USE OF FUNDS

A major concern expressed about the CETA program is that funds appropriated to carry it out are spent for unauthorized purposes. Many stories have appeared in the news media across the country, detailing alleged abuses in the various programs funded under CETA legislation. When Federal funds are spent directly by the Government, they come under the rules established by the Comptroller General, the Office of Management and Budget (OMB), and the Department of the Treasury. While not foolproof, the Government accounting systems provide a fairly high level of assurance that the funds appropriated are not spent for unauthorized purposes. When the Government spends funds through grantees, it does not have this same level of assurance. Audits of CETA grantees and subgrantees, therefore, are important and should be performed on a regularly recurring basis.

The regulations pertaining to the audit coverage of CETA at the time of our review stated that the Secretary of Labor shall audit or arrange for the audit of grantees and their subgrantees and contractors. Such audits shall normally be conducted annually but not less than once every 2 years. If these regulations had been complied with, all of the nearly 460 original CETA prime sponsors and subsponsors would have been audited at least twice by now. We found that there were still prime sponsors that had never been audited as of March 31, 1980. Perhaps even more cause for concern is that audits of prime sponsors which we reviewed included little or no analysis of the controls over funds spent by subgrantees or contractors (subsponsors). No one at the Department of Labor could tell us the extent to which subsponsors' funds are being audited. Labor's former Acting Inspector General told us:

> "* * * by far the greatest problem we have is the imbalance between workload and the resources available to do the job. The short-fall between regulatory requirements for audit and what we have actually been able to accomplish increases from year to year."

PRIME SPONSOR AUDITS ARE NOT BEING PERFORMED AS REQUIRED

In order to perform the required audits of all 460 prime sponsors on a 2-year cycle, Labor had set a yearly goal of 230 audits. Between Labor's audits and those performed by State

or local auditors and independent public accountants, only 151 prime sponsors were audited as of September 30, 1977. During fiscal 1978, 169 additional prime sponsors were audited and in fiscal 1979, the Inspector General's office completed 111 more audits. As of September 30, 1979, Labor had completed audits of only 431 prime sponsors. Thus, after over 5 years, some prime sponsors had still not been audited for the first time, yet had Labor complied with its regulations, each prime sponsor would have been audited at least twice.

AUDIT COVERAGE VARIES BY REGION

The Office of Inspector General, Department of Labor, has 10 regional offices responsible for auditing prime sponsors around the country. We evaluated the operations of 3 such offices and found significant variances in the extent to which they accomplish the required audits.

Chicago regional office had the biggest backlog

The States of Illinois, Indiana, Michigan, Minnesota, Wisconsin, and Ohio comprise the area covered by the Chicago regional office. The 105 prime sponsors in this region expended $3.9 billion from the time of CETA's inception through September 1978. Eighty-one prime sponsors with expenditures of $2.4 billion had not been audited as of September 1978. Audits had been started, however, on 33 of those prime sponsors at the time of our review. Considering the audits completed and underway as of September 1978, nearly one-half of the prime sponsors, representing expenditures of $2.4 billion, were totally unaudited after over 4 years of operations.

The Department of Labor has had more difficulty in managing the CETA audit requirements in the Chicago region than in any other region. Officials of the Inspector General's office have told us that inadequate resources, coupled with poor management and too few cooperative agreements with State and local government auditors, have been the principal reasons. In October 1978, 27 auditors from other regional offices were detailed to Chicago for several months to help the existing staff of 12 auditors. Since the time of our review, an increase in the permanent staff of the Chicago office was made possible by additional resources provided by the Congress for fiscal 1980. At March 31, 1980, the authorized staff ceiling was 41.

Dallas regional office continues to fall behind

The Dallas Office of Inspector General has accomplished less than half of the audits required by CETA regulations, and continues to fall further behind. The Dallas regional office is responsible for auditing 45 prime sponsors in Texas, Arkansas, Louisiana, New Mexico, and Oklahoma. During fiscal 1976 and 1977, the regional Inspector General had planned to complete 35 prime sponsor audits. However, 25 audits were never accomplished during that period and in fiscal 1978 the program slid further behind. As of September 1978, 22 of the prime sponsors had not been audited since inception of the CETA program in 1974. Furthermore, seven of the audits which were performed were limited scope audits which emphasized eligibility rather than financial management. Labor officials stated that these limited scope audits do not satisfy the audit requirements of the CETA regulations.

The shortfall of expenditures audited versus total expenditures is also significant. As of September 30, 1978, about $1.36 billion of the $1.7 billion granted to the prime sponsors had not been audited at the prime sponsor level. Of the funds passed on to subsponsors, only about $300 million had been audited at the subgrantee or secondary level during fiscal 1977 and 1978. Inadequate records prevented us from going back before 1977. Thus, with the records available to us, we found over $1 billion of $1.7 billion in CETA expenditures had not been audited in this five-State region.

Six of the prime sponsors which had not been audited are in Oklahoma. They had received about $200 million in CETA funds as of September 30, 1978. Only about $32 million of their subgranted funds were audited between October 1, 1976, and September 30, 1978.

According to officials of Labor's Dallas Office of Inspector General, the problems of audit coverage are a direct result of insufficient resources. With an audit workload of CETA in addition to required audits of State Employment Security Agencies, Occupational Safety and Health Administration programs, and internal audits, the staff of eight professional auditors is unable to meet the requirements.

Seattle regional office making progress in meeting requirements

Labor's Seattle Regional Office of Inspector General is responsible for CETA audit coverage in the States of Washington, Oregon, Idaho, and Alaska. We found the audit coverage

in this region to be better than in either of the other two regions where we performed field work. While the Seattle region has not met the 2-year audit cycle requirement for prime sponsors, it has made considerable efforts to obtain the necessary subgrantee audits. These efforts included coordinating with prime sponsors to make the necessary audit arrangements, as well as followup reviews to ensure adequate quality of subsponsor audits.

SIZE OF AUDIT STAFF HAS NOT GROWN TO MEET CETA REQUIREMENTS

When the original CETA legislation was passed in December 1973, the Department of Labor had 144 professional auditors. By June 30, 1974, when the first increment of CETA funds reached prime sponsors, the professional audit staff had been reduced to 106 positions.

In fiscal 1975, the director of the internal audit staff requested 30 additional positions but Labor disallowed the request. Instead, five additional positions were added from reallocations within the Department.

By the end of fiscal 1976, when the first 2-year audit period was ending, requests for more staff never got past Labor's own budget review process. The staff level remained at 111 until fiscal 1977, when the audit staff requested 26 more positions and again Labor disallowed the request. However, a supplemental request of 20 additional positions was submitted later that year and allowed by Labor, OMB, and the Congress. One position was designated for direct audit support and 19 were added to the staff as auditors.

In fiscal 1978, an additional 29 positions were requested by the audit staff. Labor allowed 20 positions which were approved by OMB and the Congress. However, all 20 positions were allocated to the newly established Office of Special Investigations, which later absorbed the audit group and subsequently became the Office of Inspector General. In addition, 6 positions were transferred out of audit, leaving 124 auditors.

In responding to our draft report, Labor stated that the Office of Audit now has 183 authorized professional positions.

LABOR HAS NO EFFECTIVE SYSTEM TO ENSURE AUDIT COVERAGE AT SUBSPONSOR LEVEL

Subsponsors are commonly community-based organizations that provide employment or training programs under the direction of the prime sponsor. The number of subsponsors and the

extent to which they are funded are very fluid. We were told that the total number of subsponsors changes almost daily. Prime sponsors are required to audit the organizations to which they subgrant or contract CETA funds. It is difficult to obtain an accurate picture of the subsponsor audit situation because Labor has not established an effective system to audit and monitor all prime sponsors, let alone ensure that they are carrying out their subsponsor audit responsibility. Furthermore, Labor has exercised varying amounts of control over subsponsor audits at its regional offices, and rarely has a consolidated audit of the prime sponsor with its subsponsors been performed as a single entity.

Since Labor did not have adequate data on subsponsor audits, we obtained selected information through the use of a questionnaire to each prime sponsor. Questionnaires were sent in October 1978 to 455 prime sponsors, and 333--or 73 percent--were completed and returned. We asked each prime sponsor to provide information on two sizes of subgrantees: those spending $100,000 or more per year, and those spending less. Regulations at the time required that all subgrantees and contractors spending $100,000 or more in a grant year be audited at least once every 2 years. Those spending less were required to be audited on a 25-percent sample basis.

Analysis of the questionnaire results shows that in fiscal 1974 through 1976 the audit coverage of large subsponsors ($100,000 or more in yearly expenditures) was 71 percent, while the audit coverage over the same period for the smaller subgrantees and contractors was 68 percent. The chart on the following page shows the results of our questionnaire with respect to subsponsor audit coverage.

While the audit coverage of the smaller subsponsors was higher than the 25-percent sample required, the large subsponsors are nearly 30 percent below the required coverage. This means that about $1.2 billion in CETA expenditures during the first 3 years of the program were not audited although regulations clearly required such audits to be performed. The data provided by the prime sponsors was not verified for accuracy.

In addition, OMB has instituted a policy calling for single audits of Federal grantees. A single audit means that instead of auditing individual grants separately, all grants made to a

Fiscal year	Yearly expenditures of $100,000 or more			Yearly expenditures of less than $100,000		
	Amount spent	Amount audited	Percent audited	Amount spent	Amount audited	Percent audited
	(millions)			(millions)		
1974	$ 26.3	$ 25.6	97	$ 2.6	$ 1.9	75
1975	674.2	577.4	86	287.4	246.0	86
1976 + TQ (note a)	1,992.4	1,377.6	69	746.8	514.4	69
1974-1976 + TQ (note b)	1,443.3	965.9	67	266.5	118.6	45
Total	$4,136.2	$2,946.5	71	$1,303.3	$880.9	68

a/Transition quarter

b/Of the 333 responding prime sponsors, 91 were not able to give the amount subject to audit on a fiscal year basis so they estimated the amount audited for fiscal 1974, 1975, 1976 + TQ combined.

recipient--regardless of which agency makes them--will be audited as one entity. The single audit concept will affect Labor's audit requirements, but it is too early to know the impact of such a change.

With passage of amendments to CETA in October 1978, Labor received the authority to require prime sponsors to participate in unified audits--audits of prime sponsors and their respective subsponsors by a single audit organization. The unified audit could provide Labor with a better system of controlling the audit function. We are currently evaluating the unified audit of a large prime sponsor with many subsponsors. The audit is being conducted by a consortium of CPA firms under contract to the prime sponsor. We expect to report on this project in the near future.

Our conclusions and recommendations with respect to issues discussed in this chapter, as well as the Department of Labor's comments on our draft report and our evaluation, are provided in chapter 4.

CHAPTER 3

CETA AUDITS CAN BE MADE MORE EFFECTIVE

We reviewed some of the audits that have been accomplished under the CETA program to evaluate the quality and thoroughness of the work performed. We found that audits of prime sponsors (1) are not always timely, (2) do not address management responsibilities over subgrants and contracts, and (3) do not have all the characteristics of an acceptable quality audit.

CETA AUDITS ARE NOT TIMELY

To be effective and of maximum use to management, an audit must be timely. The more time that elapses between the period covered by the audit and the audit report, the more diminished its value. Many CETA audit reports detailing weaknesses in internal controls, questioned costs due to ineligible participants, and other findings of improperly spent funds were not issued until years after the problems were first experienced.

Because of the shortfall in audit coverage described in chapter 2, audits will not be timely until audit coverage can be increased to meet the required cycle. Under current circumstances, when the audit of a prime sponsor is initiated the auditors must attempt to review the grantee's activities from the time of its last audit. For first-round audits, which Labor is still conducting, this means that activities dating back to 1974 must be evaluated. When audit reports are finally issued, many of those responsible for or familiar with the problems identified may no longer be with the CETA program. Resolving auditors' findings fairly and objectively is sometimes impossible because the statute of limitations has expired, or participants and administrators who may have received or authorized improper payments have long since left the program.

While inadequacy of audit resources has been a principal reason that audits have been postponed, we found that once audits have been initiated there are delays in completing the work. Of all the CETA prime sponsor audits completed at the time of our review in the three Federal regions, those performed in the Chicago region took about 18 months from the end of the audit period to the report issue date. This is the time taken up by the audit work and the report preparation and processing. Those completed in the Dallas and Seattle regions took only 9 and 10 months respectively. As a result, in the Chicago region it took an average of 8 to 9 months longer for the audit results to reach the Employment and Training Administration for corrective action.

PRIME SPONSOR AUDITS DO NOT COVER SUBSPONSOR ACTIVITIES

Prime sponsors operate CETA programs in various ways. Some prime sponsors provide much of the employment and training services themselves, with few subgrants or contracts for CETA services. Others act as conduits for CETA dollars, subgranting or contracting most of the funds to other organizations for services under the CETA titles.

In one case we reviewed, the prime sponsor retained only enough money to administer its subgrants and contracts. In 1-1/2 years, the prime sponsor transferred over $27.7 million of $28.4 million to its subgrantees. We reviewed the Department of Labor audit of this prime sponsor and found that only $692,127 in administrative costs--that which the prime sponsor had directly spent--was audited. The result was an audit report void of any analysis of the accountability for over $27 million of CETA funds administered by subgrantees--where the job training was provided and the public service jobs were being performed.

In another case we reviewed, the subsponsor audits had been performed before the prime sponsor audit. However, the periods covered in the subsponsor audits varied and none were the same as the prime sponsor audit period. The subsponsor audits had been performed by independent public accountants under contract to the prime sponsor and Labor performed the prime sponsor audit. The result was a series of audit reports which provide fragmented information about the financial operations of the prime sponsor. The prime sponsor audit report detailed no findings relative to subgrantees or contractors.

Many organizations that receive CETA funds are recipients of other Federal funds as well. Audits of such organizations should be comprehensive, organizationwide, and performed by one audit agency. We have recommended this single audit approach, and it is being implemented under the direction of the Office of Management and Budget. 1/ We endorse the single audit concept and the coordination which it promotes. Until this concept is put into effect, we see a need to expand the CETA prime sponsor audit to make sure that it addresses those management controls over subsponsors which bear on the prime sponsor's effectiveness as a trustee of public funds.

1/"Grant Auditing: A Maze of Inconsistency, Gaps, and Duplication That Needs Overhauling" (FGMSD-79-37, June 15, 1979).

AUDIT QUALITY HAS SUFFERED

Audits of prime sponsor and subsponsor records are one of the principal methods of carrying out Labor's responsibility to see that CETA funds are spent for authorized purposes. To be effective the audits must demonstrate how well these recipients of Federal CETA funds have accounted for their activities. Auditing standards are the criteria established and accepted by the auditing profession to ensure the quality of audit performance. Our review of the audit work performed by public accounting firms, State and local auditors, and Labor's own auditors disclosed that auditing standards were not applied as intended or required.

Audit quality and audit standards

The American Institute of Certified Public Accountants (AICPA) and the Comptroller General of the United States have issued separate statements of auditing standards. The AICPA standards apply to financial audits--those performed to arrive at an opinion on the financial statements which present an organization's financial position and results of operations. Such audits include tests of the organization's accounting and related records. The auditor uses professional judgment and experience to determine the tests required to form an opinion.

The Comptroller General's Standards for Audit of Governmental Organizations, Programs, Activities, & Functions incorporate AICPA standards. However, they recognize that the users of Government audit reports have broader interests than can be served by financial audits. For this reason they stress that auditing the use of public resources should concern not only the object to which resources are devoted, but also the manner and effect of their application. Of pertinence here is that the Comptroller General's standards require a broader inquiry into grantee compliance with Federal laws and regulations than is required by AICPA standards.

Department of Labor audit policy uses the Comptroller General's standards as the basic criteria for audit quality, coverage, and operations and requires that all audits of CETA grant recipients meet these standards.

We selected 13 prime sponsor audit reports and evaluated the work behind the reports to see how closely the audits conform to the Comptroller General's standards. Our sample included six audits performed by Department of Labor auditors, four by independent public accountants, and three by State and local government auditors. None of the audits fully met

the Comptroller General's standards. We found problems with the scope of work performed, a lack of due professional care, a need for better planning and supervision, and a lack of evidence in auditor working papers.

Scope of audit work is too limited

CETA regulations require financial and compliance audits of both prime sponsors and their subsponsors. Such audits must include examinations of financial transactions, accounts, and reports as well as compliance with applicable laws and regulations. There must be sufficient audit work performed to determine whether:

--The audited entity is maintaining effective control over revenues, expenditures, assets, and liabilities.

--The audited entity is properly accounting for resources, liabilities, and operations.

--The financial reports contain accurate, reliable, and useful financial data and are fairly presented.

--The entity is complying with the requirements of applicable laws and regulations.

We found that sufficient work had not been performed in 4 of the 13 audits we reviewed. The Department of Labor recognized that some audits we reviewed were too limited and did not represent full financial and compliance audits. (See p. 27.) Six of the audits we reviewed had been performed by Labor's auditors. Only two of the six were "full scope" financial and compliance audits. Labor admitted that the other four audits did not meet the necessary requirements.

Due professional care was not taken

Exercising due professional care means using good judgment in the choice of tests and procedures and doing a good job in applying them and in preparing reports. This standard does not imply unlimited responsibility for disclosure of irregularities or noncompliance; neither does it imply infallibility on the part of either the audit organization or the individual auditor. The standard does require professional performance of a quality appropriate for the complexities of the audit assignment undertaken. Several of the audits we reviewed did not meet the standard of due professional care.

For example, during our review of one prime sponsor audit which covered a 25-month period during which over $30 million in Federal CETA funds were expended we found:

--The grantee records did not support the reported expenditures, yet this was not disclosed in the audit report.

--The auditors were unable to reconcile the grantee's cash receipts with the final cash balance. Rather than report the discrepancy, the auditors inserted a $448,266 "plug" amount to obtain a balance.

--The auditors made a $576,000 error in computing the amount of administrative costs to be allocated to the grantee. The workpaper on which the error was made showed no indication of supervisory review.

--The auditors did not render an adverse opinion on the grantee's financial statements although they admitted to us that an adverse opinion was warranted.

CETA audits are not adequately planned

Adequate planning requires the auditor or audit organization to see that necessary or desired work steps are systematically laid out so that they can be understood by all levels in the audit structure. This minimizes the expenditure of staff time and resources on unnecessary work. Labor's lack of planning has resulted in duplicative audits at a time when scarce audit resources are causing large gaps in coverage.

Careful planning of CETA audits is especially important because prime sponsors are almost always State or local governments. Audit work performed at one level of government frequently must be correlated with work performed at other levels of government. Certain State or local governments may have statutory requirements to perform periodic audits which Labor should take into account during the planning process in order to make use of such audit work.

Audit resources are scarce. It is important that those resources be used to the maximum extent possible. Planning and coordination can help make the most of the audit resources at all levels of government.

During our review, we found examples of audit resources that were not used to the maximum extent possible because of inadequate planning. For example, a prime sponsor that had

never been audited contracted on its own with certified public accountants for three audits of its use of CETA funds. The audits covered $12.6 million in costs incurred over 3 years. The prime sponsor required the auditors to forward copies of each audit report to Labor's regional office. Labor auditors even helped the prime sponsor prepare a request for proposal for the first audit and approved the use of grant funds to pay for the audit. However, Labor's regional office made no evaluation of the quality of the audits and arbitrarily rejected both reports because the prime sponsor had contracted for the audits.

We found that many other prime sponsors have contracted for audits of the CETA funds under their control rather than await audit by the Department of Labor. Of the prime sponsors that answered our questionnaire, 44 responded that they arranged for their own audits. Fewer than half of these audits were accepted by Labor as meeting the CETA audit requirement. July 1979 regulations require Labor to accept grantee procured audits which meet the required audit standards.

Labor has not adequately supervised non-Federal auditors

As more CETA audits are performed by State and local auditors and independent public accountants, Labor must satisfy itself that these audits are performed in accordance with the guidance they provide as well as the Comptroller General's audit standards. We found examples of substandard work which was not identified by Labor. The supervisory review that Labor performs over the audit work of non-Labor auditors is the only way to ensure that its grantees have properly handled CETA funds. Moreover, Labor needs such quality assurance reviews to see that the Government is getting what it pays for. We recently issued a report detailing improvements needed in the quality testing of grantee audits. 1/ The report includes a model for testing audit quality which Labor could use to make such reviews.

The Comptroller General's Audit Standards specify that supervisory review be directed to both the substance and the method of auditing. The review should ensure that (1) conformance with audit standards is obtained, (2) the audit programs are followed, unless deviation is justified and authorized, (3) the working papers adequately support findings

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1/"Quality Testing of Audits of Grantees' Records--How it is Done By Selected Federal Agencies and What Improvements are Needed" (FGMSD-79-38, July 19, 1979).

and conclusions, (4) the working papers provide adequate data to prepare a meaningful report, and (5) the auditor will accomplish the audit objectives. Documentation of supervisory reviews should be prepared and retained.

We found that Labor has not always adequately supervised the audit work of independent accountants and other governmental auditors. Supervisory review consists of:

(1) Desk review of all non-Labor audit reports to ensure that all required statements are included in the report and that they have been prepared in the proper format.

(2) Workpaper reviews of a sample of audits performed by non-Labor auditors. These reviews should provide information on auditors' compliance with standards, such as

--whether the work was properly planned;

--whether compliance reviews were made;

--whether internal controls were adequately evaluated;

--whether sufficient, competent, and relevant evidence was obtained; and

--whether all material findings were reported.

(3) Onsite reviews in a limited number of cases to compare the auditors' workpapers with grantee records.

All of the audits we reviewed had been subjected to a desk review, and in two cases the workpapers had been reviewed. We found that Labor's review methods did not prevent audits of unsatisfactory quality from being accepted.

For example, an independent public accountant used a sample statement of opinion from the CETA audit guide without considering what the statement contained. The opinion expressed in the report is qualified to exclude "OJT [on-the-job training] costs as explained above" yet there is no such explanation of training costs. Had the report been properly desk reviewed, this discrepancy would have been noticed.

In one case, Labor reviewed the workpapers on a prime sponsor audit conducted by an independent public accountant. As a result, it recommended that the auditors prepare a memorandum detailing discussions during the entrance conference

and also provide footnotes and cross-references on various workpaper schedules.

We performed a review of the same public accountant's workpapers and found significant deficiencies that Labor should have discovered in their review. As discussed under the "due professional care" standard on page 15, we found

--unreported findings,

--an unsupported "plug" figure used by the auditors to balance the grantee's cash account,

--a computation error of $576,000, and

--an improper opinion on the financial statements.

Evidence is not sufficient

The GAO standards require auditors to accumulate sufficient evidence to provide a factual basis for their opinions, judgments, and conclusions. However, in several audits we evaluated, the audit workpapers did not contain sufficient information. This lack not only violates the evidence standard but, more importantly, hampers other auditors assessing the quality of the work and places the auditors in an indefensible position should the scope or quality of their work be challenged.

The following examples of inadequate evidence, taken from several audits we reviewed, demonstrate the importance of this standard:

--Independent public accountants, under contract to Labor, performed an audit of a prime sponsor and concluded that its financial reports were presented fairly and in accordance with applicable standards, yet their workpapers showed no evidence of any audit steps performed to review the sponsor's accountability for property purchased with CETA funds. In a separate report prepared to meet State requirements the same public accountants disclaimed an opinion on the financial statements in part because of "the lack of a general fixed asset group of accounts."

--In another audit performed by State auditors for Labor, we attempted to trace the audit steps performed in scheduling payments to the prime sponsor. The auditors had stated in their report "we confirmed the prime sponsor's receipt of CETA funds with the * * *

Employment and Training Administration." We could not find adequate evidence in the audit workpapers to verify all such payments. A $300,000 receipt was documented only by a slip of paper inserted in a bundle of computer printouts. It contained no indication of source, no explanation, no date, and no indication of preparer. Other work steps were essentially unreviewable due to lack of information regarding scope, purpose, and methodology.

--Review of the workpapers in another audit, performed by a State audit organization, disclosed that the auditors developed erroneous evidence as a result of their methods for checking eligibility. The sample selected for testing eligibility did not represent the universe. For example, there were 312 enrollees in the Title VI program but none were sampled, while there were 503 enrollees in the Title I program and 50 were sampled. Evidence gathered through sampling is valid only when the sampling methodology is scientifically sound.

Our conclusions and recommendations with respect to the issues discussed in this chapter are presented in the next chapter, as well as agency comments on our draft report and our evaluation.

CHAPTER 4

CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

Both the Department of Labor and the Office of Management and Budget have recognized audit as a major tool for the Federal Government to use in seeing whether CETA funds are properly accounted for and spent for the purposes for which they were authorized by the Congress. The auditing that has been done has not provided the assurance such audits should provide because:

--There were too few auditors and thus too few audits.

--Many of the audits performed did not meet applicable audit standards and thus were not fully reliable for determining whether funds were properly safeguarded and used.

To at least partially correct these problems, Labor has indicated it intends to increase the size of its audit staff.

The Office of Management and Budget has instituted a policy calling for single audits of Federal grantees. A single audit means that instead of auditing individual grants separately, all grants made to a recipient--regardless of which agency makes them--will be audited as one entity. The single audit concept will affect Labor's audit requirements so we cannot at this time predict whether the additional staff will be adequate to correct the problems we noted in our audit and do an adequate audit job in the future.

RECOMMENDATIONS TO THE SECRETARY OF LABOR

We recommend that the Secretary of Labor:

--Determine the amount of resources necessary to perform needed audits as soon as it becomes clear what the Department will be responsible for under the single audit concept. Such resources should include both the Labor audit staff and the funds necessary to engage independent public accountants and State or local government auditors.

--Institute more comprehensive quality assurance procedures to ensure that all CETA audits meet required audit standards. The quality testing procedures should be applied to a scientifically selected sample

of audits. Further, the tests should be a balanced mix of contract reviews, desk reviews, workpaper reviews, and onsite reviews. The results of such testing would provide a standard against which the quality of all audits being done by Department of Labor auditors, independent accountants, and State and local auditors could be measured.

--Increase the surveillance over prime sponsor audits to make sure that the effectiveness of controls over subgranted or contracted funds is tested.

RECOMMENDATION TO THE CONGRESS

We recommend that when further CETA authorization and funding are considered, the cognizant congressional committees ask Labor to provide information on the status of efforts to eliminate the audit backlog.

AGENCY COMMENTS AND OUR EVALUATION

The Department of Labor concurred with all of our recommendations and has initiated actions which it believes should alleviate some of the problems. (See app. I.) For example, Labor's fiscal 1981 tentative audit plan provides for audits of 60 percent of all prime sponsors. This would be a significant improvement in audit coverage. Labor noted that with the establishment of the Office of Inspector General, a reorganization with a major objective of enhancing quality control and coordination is underway. Labor adds that the quality assurance problems experienced did not result from unacceptable policies but some problems arose from the lack of national office review of quality control procedures and a shortage of staff. It believes the increased emphasis on existing quality assurance policies should markedly improve audit quality. Labor has also agreed with our recommendation to increase the surveillance over prime sponsor audits to ensure effective controls over subgranted funds, and reported actions taken in this regard including increased use of unified audits.

Labor said, however, that our review was somewhat bleak with regard to audit coverage since the CETA program was just getting underway in fiscal 1975. We agree. However, as pointed out on page 6, we found that Labor had not completed half the required audits by fiscal 1980. Labor also said our audit sample was limited, old, and derived largely from one regional office. While our sample was limited, it was sufficient to demonstrate significant problems in the quality of CETA audits. In addition, the audits we selected were the latest to be issued by the Department at the time of our review. Finally, our sample was selected from all three regions included in our review as detailed in the scope on page 3.

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U. S. Department of Labor
Inspector General

JUL 2 9 1980

Gregory J. Ahart
Director
Human Resources Division
U. S. General Accounting Office
Washington, D. C. 20548

Dear Mr. Ahart:

Attached is the Department of Labor's reply to your letter to Secretary Marshall requesting comments on the draft GAO report entitled, "The Comprehensive Employment and Training Act Grant Program--More and Better Auditing is Needed."

The Department appreciates the opportunity to comment on this report.

Sincerely,

RONALD GOLDSTOCK
Acting Inspector General

Enclosure

APPENDIX I

U.S. Department of Labor's Response
to the Draft General Accounting
Office Report Entitled--

"The Comprehensive Employment and
Training Act Grant Program--More
and Better Auditing Is Needed"

1. Recommendation. Determine the amount of resources necessary to perform needed audits as soon as it becomes clear what the Department will be responsible for under the single audit concept. Such resources should include both the Labor audit staff and the funds necessary to engage independent public accountants and State or local government auditors.

Response. The Department concurs. In the past staffing constraints have limited the number of positions that could be devoted to audit. A reassessment is needed in the light of the Inspector General's responsibilities and such other additional responsibilities the Department will have under the single audit concept.

Comments. Final designation of the Department as the cognizant Federal agency responsible for overseeing about 100 separate organization-wide audits of States agencies, is expected shortly from OMB. However, there has been no similar preliminary designation for the much larger and more complex issue of cognizant Federal agencies for audits of local units of government or non-profit organizations. A reexamination of the Department's resource requirements for its audit program will be undertaken when additional information concerning these designations is available from OMB and we get a clearer picture of how much CETA audit coverage can be expected from organization-wide audits under OMB Circular A-102, Attachment P.

In general, the Department believes that the GAO's review with regard to audit coverage of the CETA program is somewhat bleak. Even though CETA was enacted in December 1973, operations did not reach an auditable stage until much later. In fiscal years 1974 and 1975 DOL audit efforts had to be directed mainly toward the close out of the old categorical grants and to pre-award surveys of the newly designated CETA direct recipients. During this period, training sessions were held in all regions in order to familiarize Prime Sponsors with their responsibilities for auditing their subgrantees and contractors.

Although DOL started to audit Prime Sponsors in Fiscal Year 1976, acceptable audit reports of subgrantees did not become available until much later. In some cases, therefore, the initial audits covered only the administrative funds and the Prime Sponsors' direct operations.

As noted by the GAO, the resources available for audits of CETA grantees were insufficient to provide for audits on a current basis. The Office of Audit now has 183 authorized professional positions and 40 clerical and technical positions. In addition, recent CETA regulations and revisions to OMB Circular A-102 now authorize grantees to obtain audits designed to meet Federal requirements. These two features--more Federal auditors and grantee-procured audits--should greatly improve audit coverage, although it is too early to tell whether delays in auditing Prime Sponsors will be entirely eliminated.

In general, the OIG audit plan for fiscal year 1981 provides for more comprehensive audit coverage than currently exists. Of the 473 CETA Prime Sponsors, 287 are included in the tentative fiscal year 1981 work plan. Our current fiscal year 1980 workplan provides for audit coverage of each CETA Prime Sponsor which was not previously audited.

2. Recommendation. Institute more comprehensive quality assurance procedures to insure that all CETA audits meet required audit standards. The quality testing procedures should be applied to a scientifically selected sample of audits. Further, the tests should be a balanced mix of contract reviews, desk reviews, workpaper reviews, and onsite reviews. The results of such testing could provide a quantifiable measure of quality that could be related to all audits being done by Department of Labor auditors, independent accountants and State and local auditors.

Response. The Department concurs. With the establishment of the OIG, a reorganization of the national audit office is currently underway, a major objective being the enhancement of quality control and coordination. The Office of Audit is moving ahead as fast as possible given the current hiring freeze. However, it should be noted that GAO's conclusions concerning the quality of CETA audits were based largely on their analysis of only 13 CETA audits conducted during fiscal years 1975-77--a very limited and old sample--and were derived largely from the work of one regional office with known problems that have been largely corrected. The problems noted by GAO did not result from a lack of acceptable policies. Indeed, the GAO recommended policy on comprehensive quality assurance procedures was effective throughout the period covered by GAO's review. Some problems arose from a lack of national office reviews of quality control procedures and insufficient staff.

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Comments. The Department agrees that the scope of audit work was too limited in several instances. Some reports reviewed by GAO do not represent full financial and compliance audits. Nonetheless, we believe that limited scope audits may be in accordance with the Comptroller General's standards as long as the scope is clearly and accurately stated in the report.

Professional care is an essential requirement for all auditors, both employees and contractors. We agree that the audit performed by an independent public accounting firm, cited by GAO, which did not report a major discrepancy in a grantee's cash balance, is clearly a case of lack of professional care. In addition, the former DOL staff auditor who reviewed the audit working papers in this instance did not exhibit professional care. The current emphasis the OIG is placing on the comprehensive quality control procedures will be used as a checkpoint for citing similar discrepancies.

Regional Audit Office training in CETA audit requirements for non-Federal auditors and Prime Sponsor staff has been re-instituted by the OIG. This training effort will be expanded to cover more independent public accountants and state and local auditors being engaged by the Prime Sponsors to perform audits.

3. Recommendation. Increase the surveillance over Prime Sponsor audits to assure that testing is performed to evaluate the effectiveness of controls over subgranted or contracted funds.

Response. The Department concurs. As GAO noted, since subsponsor audits are performed separately from Prime Sponsor audits, the overall audit results are often presented in a fragmented way that make it difficult to identify and correct weaknesses at the subsponsor level.

Comments. All Regional Audit Managers were instructed on July 2, 1979 that Prime Sponsor audit reports must contain: (a) reference to acceptance of other audits of subgrantees in lieu of examination by Prime Sponsor's auditor, showing dollar amount and percentage of prime sponsor's funds examined by other auditors; (b) reference to subgrantees which have not been audited; and (c) a statement that the acceptability of such audits will be determined when the audit reports are received, reviewed and accepted. The same instructions specified that when an auditor is relying on other auditor's examination of subgrantees, the report should provide separate sections for findings concerning the grantee's direct operations and subgrantee operations. Two exhibits are now uniformly required in CETA prime sponsor audit reports in order to summarize results of evaluations of subgrantee or contracted funds by other auditors. They are "Status of Subgrantee Audits, (by title and grant)" and "Status of Prime Sponsor Actions on Costs Recommended for Disallowance or Questioned in Subgrantee Audit Reports."

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All of our auditors have been instructed to ensure that testing is performed to evaluate the effectiveness of controls over subgrantee or contracted funds. The OIG places heavy emphasis on this step in our quality control process. However, when an auditor is examining a Prime Sponsor's operations and relying on other auditors' examinations of subgrantees and contractors, regardless of how effective controls are at the Prime Sponsor, there still remains the essential question of how effective controls over CETA funds are at the subgrantee or contractor level--to be answered only by auditors at that level.

An initiative of the OIG--designed to generate a comprehensive audit assessment of a Prime Sponsor and its subgrantees--is the "unified audit" which has been implemented on a selected basis. A unified audit is one where the DOL audit of the Prime and the Prime's audits of its subgrantees are conducted simultaneously. The audit of subgrantees is performed either by or under the operational control of the audit organization which conducts the audit of the Prime Sponsor. The audit of the Prime Sponsor and its subsponsors covers the same funding period and results in a comprehensive audit opinion of the entire operations of a Prime Sponsor. During the current fiscal year, 32 unified audits are scheduled to be conducted. For fiscal year 1981 we plan to increase the number to 75 unified audits.

The Department has concluded that the unified audit needs to be implemented more broadly in order to enable better control of subgrantee audits. The OIG is committed to increasing the number of unified audits as quickly as possible. Expansion of the program of periodic unified audits is a way to ensure that Prime Sponsors and subgrantee or contractor controls over CETA funds are adequately audited.

GAO REPORTS RELATED TO INTERNAL AUDITING

Title	Report number	Date
Problems in Auditing Medicaid Nursing Home Chains	HRD-78-158	1/9/79
The FBI Can Improve Its Management Control Over Operations Providing Effective Internal Audit	GGD-78-93	1/17/79
The Effectiveness of the Defense Contract Audit Agency Can be Improved	FGMSD-79-25	5/10/79
Grant Auditing: A Maze of Inconsistency, Gaps, and Duplication That Needs Overhauling	FGMSD-79-37	6/15/79
Quality Testing of Audits of Grantees' Records--How It Is Done by Selected Federal Agencies and What Improvements Are Needed	FGMSD-79-38	7/19/79
Need for More Effective Audit of Federal Grants and Contracts Administered by Institutions of Higher Education	FGMSD-79-44	7/19/79
Federal Civilian Audit Organizations Have Often Been Unsuccessful in Obtaining Additional Staff	FGMSD-79-43	7/27/79
A Look at the Air Force Inspector General's Inspection System	FGMSD-79-51	8/28/79
Improving Interior's Internal Auditing and Investigating Activities--Inspector General Faces Many Problems	CED-80-4	10/24/79

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Title	Report number	Date
The Army Inspector General's Inspections--Changing From a Compliance to a Systems Emphasis	PGMSD-80-1	10/30/79
Evaluation of the Department of Energy's Office of Inspector General	EMD-80-29	11/28/79
The Marine Corps Inspection System Should Use Resources More Efficiently	PGMSD-80-20	12/20/79
The Navy Inspector General's Inspection System--Some Improvements Are Needed	PGMSD-80-23	12/26/79
The Defense Logistics Agency Inspector General Needs To Change From a Compliance to a Systems Approach	PGMSD-80-24	12/27/79
Internal Auditing Needs More Support in the National Credit Union Administration	GGD-80-31	1/4/80
Improved Grant Auditing and Resolution of Findings Could Save the Law Enforcement Assistance Administration Millions	PGMSD-80-21	2/19/80
Opportunities To Strengthen Internal Auditing in the Federal Deposit Insurance Corporation	GGD-80-46	3/4/80
GAO Findings on Federal Internal Audit--A Summary	PGMSD-80-39	5/27/80

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